

# **BLM Eastern States**

## **Notice of Competitive Oil and Gas Internet-Based Lease Sale**

**June 22, 2017**

**[https://www.energynet.com/gov\\_listing.pl](https://www.energynet.com/gov_listing.pl)**

***Office Address:***

**20 M Street SE, Suite 950  
Washington, D.C. 20003  
Telephone: 202.912.7700**

***Sale Location:***

**[https://www.energynet.com/gov\\_listing.pl](https://www.energynet.com/gov_listing.pl)**





**United States Department of the Interior  
Bureau of Land Management**

Eastern States  
20 M Street SE, Suite 950  
Washington, DC 20003  
<https://www.blm.gov/eastern-states>



**APR 14 2017**

## **Notice of Competitive Oil and Gas Internet-Based Lease Sale**

In accordance with the *Mineral Leasing Act*, [30 U.S.C. 226\(b\)\(1\)](#), as amended by the *National Defense Authorization Act for Fiscal Year 2015* (Pub. L. 113-291, 128 Stat. 3762) (Dec. 19, 2014), and the federal regulations at 43 CFR 3120, the Bureau of Land Management (BLM) is offering 2 parcels at an internet-based onshore oil and gas competitive lease sale. The 2 parcels (totaling **160** acres), include Federal mineral estate underlying private surface lands in the State of Arkansas.

This notice describes:

- The date, time and place of the sale
- How to participate in the bidding process
- The sale process
- The conditions of the sale
- How to file a noncompetitive offer after the sale
- How to file a presale noncompetitive offer
- How to file a protest

Attached is a list of the lands we are offering by parcel number, serial number, and land description. We have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. If a parcel receives no bids during the competitive lease sale, then that parcel may be offered noncompetitively the next business day on a first-come, first-served basis, for a two-year period.

For your convenience, maps showing the sale parcels are incorporated into this notice and are available at BLM's ePlanning internet site for this lease sale at: <http://bit.ly/2odfLXZ>, as well as [https://www.energynet.com/govt\\_listing.pl](https://www.energynet.com/govt_listing.pl)

**When will the sale take place?** The sale date is **Thursday, June 22, 2017**. The open bidding period will begin at **8:00 am EST (7:00 am CST)**. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for **three hours**, from start to finish and bids will be accepted **only** during a parcel's open bidding period.

**Where:** The sale will be held online at <https://www.energynet.com/>. Click the Government Lease Sales icon to view the sale site. Parcels may be viewed online at the EnergyNet website beginning approximately 10 business days after posting of this sale notice on the BLM website.

The BLM recommends checking the EnergyNet website before the lease sale for any updates on the list of parcels being offered and any Errata notices.

**Access:** The auction website is open to the public. The internet-based lease sale can be observed in real-time. In order to participate as a bidder, however, you must register as a bidder on the website, in advance of the sale date. The auction website will be active and available for use approximately 10 days after the posting date of this Notice of Competitive Oil and Gas Internet-Based Lease Sale, and will remain available for viewing until the completion of the auction. The available parcels listed below will be detailed on the website, and the information displayed on the website during the offering period represents the authoritative record. Interested parties may visit the website at any time prior to or during the sale. The final sale results will be posted on the BLM's ePlanning internet site for this lease sale, as listed above.

Potential bidders may register for the online auction as soon as the auction website is active and are encouraged to do so as soon as possible. Bidders must be registered for the online lease sale before the bidding commences. Further, potential bidders are encouraged to visit the website prior to the start of the open bidding period to become familiar with the site and review the bidding tutorial. Supporting documentation is available on the website to familiarize new users to the process and answer frequently asked questions.

#### **How will the sale be conducted?**

The sale will be conducted *by online bidding only*. The online auction design will be a sequential ascending clock, fixed period, English auction. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for **3 hours**, from start to finish. Bids will only be accepted for each parcel during its open bidding period. The bidding period for each parcel will close sequentially, so that bidders will know if they are the highest winning bidder on a parcel before subsequent parcels close for bidding. For each parcel, the website will display the current high bid and the bidder's number, and will show each new bid as soon as it is submitted. All bids must be equal to or exceeding the minimum acceptable bid which is noted online at the start of the auction. The winning bidder is the highest bid per acre offered; it will be displayed online at the close of the auction.

The online system provides for two types of bids: a flat bid per acre, or a maximum bid, also per acre. The system allows participants to submit either type of bid, or both. Maximum bids allow a bidder to participate in the online auction without having to be logged into the website at the time the auction period closes. The auction website provides a full explanation of placing maximum bids. The auction website also provides an explanation of how the maximum bid process works to place bids on your behalf to maintain your high bidder status up to your chosen maximum bid amount. The BLM strongly encourages potential bidders to review the bidding tutorial on the auction website in advance of the online lease sale.

#### **How do I participate in the bidding process?**

To participate in the BLM bidding process, one must register and obtain a bidder number before the start of the auction. Approximately 10 days after posting of this notice on the BLM website, a potential bidder can register to bid at the auction website address above. Bidders are

encouraged to register as soon as possible, to familiarize themselves with the bidding instructions, and to ensure they have ample time to complete all the required bidder registration steps before the open bidding period commences. If an entity is bidding for more than one party, then the bidding entity must complete separate registration and credentials for each entity they represent. A separate bidder number must be requested, and obtained for each company or each individual the entity wishes to represent.

When registering as a bidder on the auction website, you will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the terms of the lease and pay monies owed. Further, you will acknowledge, through self-certification of the enhanced bidder form, that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of sale), or any monies owed EnergyNet for a previous oil and gas lease auction conducted by EnergyNet for any BLM office, you will not be allowed to register to bid at this lease sale.

The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” [30 U.S.C. 226(b)(1)(A)]. Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until the bidder settles that debt to the United States. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

You do not have to be “present” in the auction in order to participate as a bidder. The online auction provides a “maximum bid” bidding option. By using this “maximum bid” option, you are asking the system to bid automatically on your behalf, up to an amount you specify.

### **What is the sale process?**

Starting at the posted opening date and time for each parcel:

- The minimum acceptable bid is **\$2 per acre**.
- All bids are based on the per-acre total for the entire parcel, rounded up to whole acres. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).
- All bids are made in minimum increments of \$1.00 per acre, or fractional acres thereof;
- The winning bidder is the highest bid per acre offered which will be displayed online at

the close of the auction; and

- The decision of the Bureau of Land Management is final, as presented on the BLM Eastern States' website and at [www.EnergyNet.com](http://www.EnergyNet.com).

You cannot withdraw a bid once a bid is placed and the system determines that you are the high bidder, whether the bid was a flat bid or a maximum bid.

### **How long will the sale last?**

The length of the sale depends on the number of parcels we are offering. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for *three hours*, from start to finish.

### **What conditions apply to the lease sale?**

- **Parcel withdrawal or sale postponement:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Eastern States State Office Information Access Center (Public Room) before the sale begins. Additionally, the auction website will clearly indicate that a parcel is withdrawn. If we postpone the sale, a notice will be posted on the auction website and in the Eastern States State Office public room.
- **Fractional interests:** If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information as part of the parcel listing. When we issue the lease, it will be for the percentage or fraction of interest the United States owns [43 CFR 3120.1-2(c)]; however, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 199.31 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 x 200 acres) and the advance annual rental will be \$300 (\$1.50 x 200 acres) for the first 5 years and \$400 (\$2 x 200 acres) for the remainder of the lease term. Conversely, your chargeable acreage and royalty on production will be calculated on the United States net acreage.
- **Payment due:** You cannot withdraw a bid. Your bid is a legally binding contract. For each parcel for which you are the successful high bidder, you must pay, on the day of the sale, the minimum bonus bid of \$2 per acre or fraction of an acre; the first year's advance rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of \$160. These are monies you owe the United States, whether or not a lease is issued. You must provide notification of the payment process of these monies by 4:30 pm EST the day the auction closes. Payment will be made directly to the BLM Eastern States Office, or as otherwise directed by the BLM. Payments to the BLM will not be made through the auction website. At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system about how to make the required payment to BLM. After the lease sale, you will also be required to pay the buyer's premium of 1.5% of any successful bid to EnergyNet, in order to participate in the internet-based lease sale.

If your bonus bid was more than \$2 per acre or fraction of an acre and you do not pay the full amount on the day of the sale, you must pay any balance due by the close of business on the tenth working day after the date the auction closes. If you do not pay in full by this date, you lose the right to the lease and all money due on the day of the sale. If you forfeit a parcel, we may offer it again at a future sale.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States [43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)]. If we do not receive notification of the payment process of the minimum monies owed the day of the sale by the date and time described above, the BLM will issue a bill for the monies owed. If we do not receive payment by the bill due date, we will send a demand letter to you that will include additional fees. If we do not receive payment as requested by the demand letter, the United States will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and access civil penalties on past-due amounts. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; and Federal and state tax refund offset; and retirement payment offset. We may send debts to the Internal Revenue Service (IRS) and the IRS may charge them as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR Part 285).

- **Forms of payment:** Specific payment instructions will be provided by the online auction system to high winning bidders. You can pay by personal check, certified check, and money order in person at the BLM Eastern States Office in Washington D.C. We encourage you to pay by Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or credit card (Discover, Visa, American Express, or MasterCard only). We cannot accept cash. ***Please note, in accordance with the Department of Treasury Financial Manual, Announcement No. A-2014-04, the BLM cannot accept credit or debit card payments for an amount equal to or greater than \$24,999.99. The BLM cannot accept aggregated smaller amounts on a credit card or multiple credit cards, to bypass this requirement.*** The BLM does not have Personal Identification Number (PIN) equipment for the purpose of processing PIN authorized debit cards. All debit card transactions will be processed as credit cards and the dollar value limits will apply. If you pay by check in person at the BLM Eastern States office, or as otherwise directed by the BLM, please make your check payable to: **Department of the Interior-BLM**. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. ***Please note, the BLM cannot grant you any extension of time to pay.***
- **Bid form:** On the day of the sale, if you are a successful winning bidder, you must submit (email or fax) to BLM a properly completed and signed competitive bid form (Form 3000-2) with the required payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once you sign the form, you cannot change it. The online auction system will provide the successful

winning bidder with a pdf-fillable copy of this bid form and instructions on how to submit the form to the BLM Eastern States Office after the auction. We will not accept any bid form that has information crossed out or is otherwise altered. **We will not issue a lease until we receive a signed copy of the bid form in accordance with 43 CFR 3102.4(2).** You will be shown the bid form as part of the sale registration process, and asked to certify that you will complete and execute it should you be the successful winning bidder. We ask that you complete the form at that time to ensure that you can meet this condition. Your completed bid form will certify that:

- (1) You and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and
  - (2) Both you and/or the prospective lessee have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of, or collusion among bidders.
- **Federal acreage limitations:** Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain land and 246,080 acres of acquired land (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement, communitization agreement or development contract that you hold, own or control and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.
  - **Lease Issuance:** After we receive the bid form, all the money due and protests have been resolved, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We must receive your request before we sign the lease.
  - **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. **Advance rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the anniversary date each year until production begins.** Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11).
  - **Split Estate:** Information regarding leasing of Federal minerals under private surface, referred to as "Split Estate," is available at the following Washington Office website:

[www.blm.gov/bmp/Split\\_Estate.htm](http://www.blm.gov/bmp/Split_Estate.htm). A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program.

- **Stipulations:** Each parcel included in this lease sale will be subject to the attached *Endangered Species Act*, as amended, 16 U.S.C. 1531 *et seq.* Section 7 Consultation Stipulations and Cultural Resource Protection Stipulations. These stipulations provide protections for sensitive natural and cultural resources, and may affect how operations are conducted. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.
- **Unit and Communitization Agreements:** Parcels offered in this sale notice may fall within an authorized Unit or Communitization Agreement. If the parcel falls within an authorized Unit or Communitization Agreement, the successful bidder will be required to join the agreement.

#### **How do I file a noncompetitive offer after the sale?**

Lands that do not receive a bid are available on a first-come, first-served basis for a 2-year period, beginning the day after the sale. The noncompetitive offers are handled directly by the BLM and not through the internet leasing website. If you want to file a noncompetitive offer on an unsold parcel, you must provide to the BLM Eastern States Office:

- Three copies of form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; and
- Your payment of \$415 for the filing fee plus the advanced first year's rental (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the amount of rental.

Submit the aforementioned items to the BLM Eastern States Office in person or by mail. All offers filed the day of a sale will be considered as filed the first business day after the sale. If a parcel receives more than one offer, we will hold a drawing to pick the winner (see 43 CFR 1822.17). In the list of parcels, we have noted any parcels that have pending presale offers. A presale offer has priority over any offer filed after the sale.

#### **How do I file a noncompetitive presale offer?**

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- Are available; and
- Have not been under lease during the previous 1-year period, or
- Have not been included in a competitive lease sale within the previous 2-year period.

Your noncompetitive presale offer to lease must have been filed prior to the official posting of this Sale Notice. If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, your presale offer has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer for parcels that may



be offered in future sales, follow the directions listed for filing a noncompetitive offer after the sale.

### **How do I submit an Expression of Interest (EOI)?**

All EOIs will now be submitted electronically via the *National Fluids Lease Sale System* (NFLSS) located at: <https://nflss.blm.gov/>. Be sure to include all of the information requested so that the BLM may efficiently process your request. Incomplete nomination packages or improperly packaged EOIs may prompt the BLM to reject the nomination or can cause delays in processing the EOI. The following information should be included in your EOI nomination package:

- Exact locality information including state, county, meridian, township, range, section, and aliquot part or other appropriate specific land description such as a metes and bounds description. A lot number or tract number without a specific land description is not acceptable.
- County plat map showing surface ownership and acreage with the nominated parcel outlined on map.
- Proof of Federal mineral ownership (e.g. Deed(s), Patent(s) or other form of minerals interest conveyance to the United States).
- A Geographic Information system (GIS) shapefile(s) of the nominated area.
- Parcels that include split estate lands must provide the name and address of the current private surface owner(s); and if available, an electronic-mail address and telephone number.

Each EOI must be as compact in form as possible and may only include one type of surface ownership, mineral interest, and one type of administrative designation as follows:

- Do not include mixed surface ownership in the same EOI. Submit separate EOIs for lands with Federal surface ownership, from lands with privately owned surface, and from State-owned surface lands.
- Do not include parcels in different counties, townships, or ranges in the same EOI.
- If your EOI contains lands that are not contiguous or contains a variety of fractional mineral interest, please re-configure the parcels into separate EOIs.
- EOIs for public domain or acquired minerals must not be made for more than 640 acres (within the same township).

***\*\*Note: When submitting an Expression of Interest (EOI), you are not required to provide your name and address. If you do not provide your contact information, the BLM cannot notify you if any questions arise regarding your EOI. If you choose to provide your name and address, this information would be available to the public via the NFLSS. If you consider your name and address to be confidential, do not include it in your EOI.***

### **When is the next competitive oil and gas lease sale scheduled?**

Following the June 22, 2017 sale, we have tentatively scheduled our next online competitive oil and gas lease sale for **September 21, 2017**. We can make no guarantee as to when a given parcel will be offered for competitive sale.

### **How can I find out the results of this sale?**

The sale results will be posted on the BLM Eastern States website for the June 2017 lease sale located at: <http://bit.ly/2odfLXZ>. Paper copies are available for viewing at the BLM Eastern States Office in Washington D.C.

**May I protest the BLM's decision to offer the lands in this Notice for lease?**

Yes, under regulation 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- Protests must be postmarked or faxed by *May 15<sup>th</sup>, 2017*, which allows for 30 calendar days from the date of this notice to file a protest. The BLM will dismiss a late-filed protest or an improperly filed protest.
- A protest must state the interest of the protesting party in the matter (also known as a "statement of reasons" to support the protest).
- The protest must specify the parcel being protested (by parcel number).
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. The BLM will also not accept protests submitted in person or by any means other than US mail or facsimile.
- Protests submitted by mail shall be addressed to the State Director to the address listed in the letterhead of this notice.
- Protests submitted by telefax must be sent to **(202) 912-7798**. Protests sent to a different fax number or submitted by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership, or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act on their behalf, the individual cannot make a protest in the group's name.
- A protest must include the name and address of the protesting party and reference the specific serial number or parcel number that is being protested. The BLM will not accept names, addresses, and signatures included as an attachment to a protest letter.

Any protests, including names and street addresses, you submit will be made available for public review. Individual respondents may request confidentiality. If you wish to withhold your personal identifiable information from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your protest. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

**If the BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?** The BLM will announce receipt of any protests on the auction website prior to the start of the online auctions. We will also announce on the website a decision to either withdraw the parcel or proceed with the sale of the parcel. Decisions resolving protests will be posted to the website for the June 2017 sale.

**If I am the high bidder at the sale for a protested parcel, when will the BLM issue my lease?** We will make every effort to decide the protest prior to the sale, but no later than 60 days after the sale. We will not issue a lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with

that decision.

**If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?**

No. In accordance with BLM regulations (43 CFR 3120.5-3), you may not withdraw your bid.

**If the BLM upholds the protest, how does that affect my competitive bid?**

If we uphold a protest and withdraw the parcel from leasing, we will reject your bid, and refund your first year's rental, bonus bid, and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations. If you do not accept the additional stipulations, we will reject your bid and refund your first year's rental, bonus bid, and administrative fee.

**If the BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?** Yes, you may. Note: An appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and Part 1840.

**May I appeal the BLM's decision to deny my protest?**

Yes, you may. Note: An appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and Part 1840.

**May I withdraw my bid if the protestor files an appeal?**

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid.

We will issue your lease concurrently with any decision by the Interior Board of Land Appeals to deny the protest. If resolution of the appeal results in lease cancellation, the BLM we will authorize a refund of the bonus bid, rentals, and administrative fees if:

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it; and
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid, and administrative fee.

For more information, please contact Ms. Pamela Griner (202) 912-7729.

  
Karen E. Mouritsen  
State Director

# Arkansas

## ***Privately Owned Surface, Federal Minerals***

**Parcel #: ES-001-06/2017    BLM Serial #: ARES 058262 PD    EOI #: 920**

Arkansas, Cleburne County

T10N, R9W, Fifth Principal Meridian

Sec. 1, NWSW

40.00 Acres    \$60.00 Rental

U.S. Mineral Interest: 100%

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Bats: gray bat, Indiana bat, or northern long-eared bat, and Freshwater Aquatic Habitat

BLM Lease Notices/Best Practices for Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Plant Species and Pesticide Application.

*Parcel number ES-001-06/2017 ARES 058262 PD is fully committed to Communitization Agreement (CA) ARES 056342. The CA operator is SWN Production (Arkansas), LLC: P.O. Box 12359, Spring, TX 77391-2359. In accordance with the regulations in 43 CFR 3101.3-1, the successful bidder is required to file evidence of having entered into an agreement with the unit (CA) operator for the development and operation of the subject lands under the terms and provisions of the approved Communitization Agreement, before the BLM will issue the lease.*

*The successful bidder should immediately contact the Operator. In order to join the CA, the operator will give instructions about executing copies of the joinder agreement. Five duplicate originally signed copies of the joinder agreement must be furnished to: Bureau of Land Management - Eastern States; Attn. Pamela Griner; 20 M Street, S.E., Suite 950, Washington, D.C. 20003 within 60 days of the sale date. If more time is required, you must request an extension of time in which to comply. If not submitted within the time allowed, your bid may be subject to rejection.*

**Parcel #: ES-002-06/2017    BLM Serial #: ARES 058263 PD    EOI #: 1046**

Arkansas, Van Buren County

T11N, R14W, Fifth Principal Meridian

Sec. 31, E2NE, SWNE

120.00 Acres    \$180.00 Rental

U.S. Mineral Interest: 100%

Subject to: BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, Bats: gray bat, Indiana bat, or northern long-eared bat, and Freshwater Aquatic Habitat

BLM Lease Notices/Best Practices for Migratory Birds and Federally Listed Wildlife, Perching and Nesting Birds and Bats, Invasive and Non-Native Plant Species and Pesticide Application.

***Parcel number ES-002-06/2017 ARES 058263 PD is fully committed to Communitization Agreement (CA) ARES 056325. The CA operator is SWN Production (Arkansas), LLC: P.O. Box 12359, Spring, TX 77391-2359. In accordance with the regulations in 43 CFR 3101.3-1, the successful bidder is required to file evidence of having entered into an agreement with the unit (CA) operator for the development and operation of the subject lands under the terms and provisions of the approved Communitization Agreement, before we sign the lease..***

***The successful bidder should immediately contact the Operator. In order to join the CA, the operator will give instructions about executing copies of the joinder agreement. Five duplicate originally signed copies of the joinder agreement must be furnished to: Bureau of Land Management - Eastern States; Attn. Pamela Griner 20 M Street, S.E., Suite 950, Washington, D.C. 20003 within 60 days of the sale date. If more time is required, you must request an extension of time in which to comply. If not submitted within the time allowed, your bid may be subject to rejection.***

**EOI 920 - T. 10N., R. 9W., 5<sup>TH</sup> Principal Meridian, Section 1  
Clebume County, Arkansas**



**Legend**

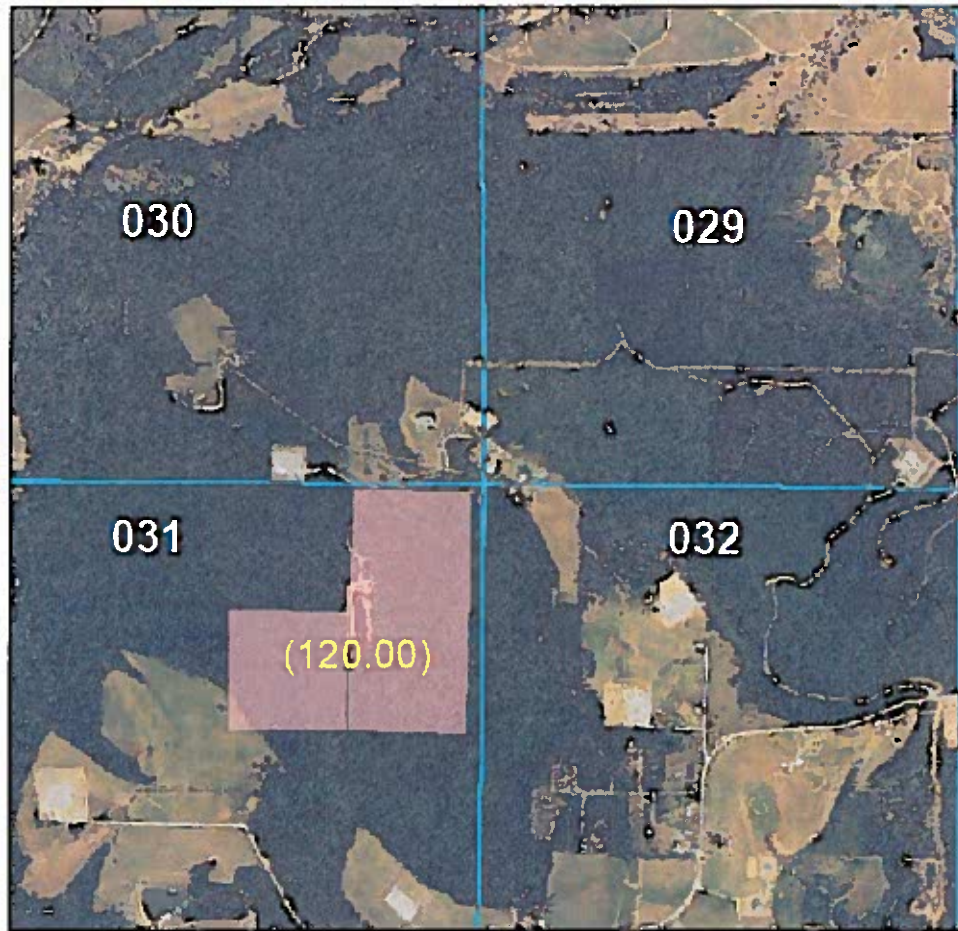
- Nominated Parcel
- Section

No Warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.





**EOI 1046 - T. 11N., R. 14W., 5<sup>TH</sup> Principal Meridian, Section 31  
Van Buren County, Arkansas**



**Legend**

- Nominated Parcel
- Section

No Warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.



# *Stipulations*



## LEASE STIPULATIONS AND NOTICES FOR EOI 920

### Cultural Resources and Tribal Consultation

**Stipulation:** This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist approved by the State Historic Preservation Office (SHPO). If currently unknown burial sites are discovered during development activities associated with this lease, these activities must cease immediately, applicable law on unknown burials will be followed and, if necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

### Endangered Species

**Stipulation:** The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. ' 1531 et seq., including completion of any required procedure for conference or consultation.

Exception:     None

Modification: None

Waiver:         None

### Sensitive Plant Species

**Stipulation (CSU):** All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, the BLM will require a survey by a qualified botanist for special status plants during periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

**Objective:** To protect threatened, endangered, candidate, proposed, and BLM sensitive plant species.

**Exception:** An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and in coordination with State agencies.

**Modification:** The stipulation may be modified if it is determined that a portion of the lease area does not contain sensitive plant species habitat.

**Waiver:** The stipulation may be waived if, based on field surveys, it is determined that the lease area does not contain sensitive plant species habitat.

## **Bats**

**Stipulation (NSO):** No surface occupancy or disturbance would be permitted within 10 miles of hibernacula, 5 miles of maternity roosts, and 2.5 miles of non-maternity roost locations for the following species: gray bat, Indiana bat, and northern long-eared bat.

**Objective:** To avoid adverse effects to special status bats.

**Exception:** An exception may be granted if the project would not result in adverse effects to these special status bats or their habitat, with concurrence from the USFWS.

**Modification:** None.

**Waiver:** This stipulation may be waived if the lease does not contain suitable habitat for gray bat, Indiana bat, and northern long-eared bat, with concurrence from USFWS.

**Stipulation (CSU):** Within the range of special status bats projects that involve the removal of trees over 5 inches dbh (3 inches dbh for northern long-eared bats) will require an acoustic or mist net survey to determine presence or absence prior to the approval of surface disturbing activities. Surveys, by qualified personnel, must be conducted using USFWS approved protocols. Surveys would be conducted between May 15 and August 15. In lieu of a survey determining absence, presence is assumed and a Section 7 consultation would be required.

**Objective:** To protect foraging habitat and maternity roost sites of federally listed bat species.

**Exception:** The survey would not be required if the project would result in a not likely to adversely affect determination, with concurrence from USFWS.

**Exception:** The survey may not be required if previous surveys are sufficient to demonstrate the absence of special status bats.

## Freshwater Aquatic Habitat

**Stipulation (NSO):** No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwater, wet meadow, wet pine savanna, pond, tributary, lake, coastal slough, sand bar, vernal pools, calcareous seepage marsh, or small, marshy calcareous stream. If the slope exceeds 10 percent, the buffer may be extended to 600 feet to provide adequate protection for aquatic habitats and associated species.

**Objective:** To protect the water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to aquatic species and their habitat.

**Exception:** An exception may be granted if the operator agrees to 1) span creeks, rivers, wetlands, and floodplains by attaching pipelines to bridges; 2) directionally drill wells and pipelines from upland sites under creeks, rivers, other waters, and wetlands or 3) implement other measures developed in consultation with USFWS and in coordination with State agencies.

**Modification:** The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and the results document the lack of suitable/occupied/critical habitat for listed species which may be affected by the project, as determined by the BLM and USFWS.

**Waiver:** None

## LEASE NOTICES/BEST MANAGEMENT PRACTICES

### Migratory Birds and Federally Listed Wildlife

**Objective:** To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

All powerlines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

### Perching and Nesting Birds and Bats

**Objective:** To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on

such units and, to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

### **Invasive and Non-Native Species**

**Objective:** To discourage the spread of invasive, non-native plants.

Use of native or non-invasive plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. Construction sites will be surveyed for invasive species prior to ground disturbance. If invasive species are found, the proper control measures will be used to either eradicate the species from the area or minimize its spread to other areas. If cogongrass is found on site, equipment will be washed before exiting the site to prevent the spread of this highly invasive species to other locations. Post-construction monitoring for cogongrass and other invasive plant species should be conducted to ensure early detection control. In the case of split-estate lands, final seed mixtures will be formulated in consultation with the private landowner.

### **Pesticide Application**

**Objective:** To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.